

Message Text

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ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 EB-07 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 TAR-01 L-03

INRE-00 SSO-00 SS-15 FRB-03 /049 W

----- 074988

O 311212Z DEC 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 3107

C O N F I D E N T I A L NEW DELHI 17429

PASS TREASURY FOR NATE GORDON

E.O. 11652: GDS

TAGS: EFIN, IN

SUBJECT: TAX EXEMPTION FOR AIRLINES

REF: (A) STATE 304404, (B) NEW DELHI 16455

1. UPON RECEIPT OF REFTEL (A) FINATT CONTACTED S.R. MEHTA WHO TOLD HER THAT HE WAS UNAWARE OF THE CURRENT SITUATION PERTAINING TO AN EXCHANGE OF NOTES OR LETTERS ON TAX EXEMPTION FOR AIRLINES AND WOULD CHECK ON IT. IN RESPONSE, I. P. GUPTA THEN TELEPHONED TO SAY THAT A NEW DRAFT WAS IN PREPARATION WHICH STILL HAD TO BE APPROVED BY THE LEGAL PEOPLE AND THE CABINET COMMITTEE. IT MIGHT BE POSSIBLE TO SIGN AN AGREEMENT BY THE END OF JANUARY. FINATT EXPLAINED THAT TREASURY WISHED TO SEE THE AGREEMENT EFFECTIVE AS OF JANUARY 1, 1975 WHICH NECESSITATED SIGNING NO LATER THAN THE END OF THE FIRST WEEK IN JANUARY. GUPTA WAS NOT ENCOURAGING.

2. A CALL WAS THEN MADE TO V. KRISHNASWAMY, JOINT SECRETARY RESPONSIBLE FOR US/INDIAN MATTERS. HE SAID HE WAS AWARE OF THE SITUATION AND HE UNDERSTOOD THAT THE INDIAN PROPOSAL HAD BEEN COMPLETED AND WAS IN THE PROCESS OF BEING CLEARED. HE SAID HE WOULD TRY TO EXPEDITE MATTERS SO THAT SIGNING COULD TAKE PLACE WITHIN OUR DEADLINE.

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COMMENT: AT THE TIME OF PRESENTING THE DRAFT OF OUR PROPOSED
NOTE ON DECEMBER 10 TO GUPTA (REF B), HE SAID HE SAW NO
DIFFICULTIES AND WOULD GIVE A REPLY IN A COUPLE OF DAYS. HE
NOW SAYS THINGS CANNOT BE DONE SO QUICKLY. THERE IS STILL AN
OUTSIDE CHANCE THAN AN AGREEMENT CAN BE SIGNED BY THE END OF NEXT
WEEK BUT FINATT IS NOT HOPEFUL.
SAXBE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Concepts: TAX RELIEF, AIRLINES
Control Number: n/a
Copy: SINGLE
Draft Date: 31 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
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Handling Restrictions: n/a
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06 JUL 2006

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